

100 A 10 up at Shell game San Marcos

cords were concerned. In turn, we would report back to the investor." The investor was the CIA.

Similarly, in recent years the CIA has set up management consultant firms in the international energy field. An executive at one of Wall Street's most important investment banks confirms that certain consultant firms with ties to U.S. intelligence win governmental and private contracts in the Middle East as management experts and use these positions to gather secret economic intelligence. The investment banker reports that this data is then passed on, at least in part, to American companies in a position to profit from it.

From the CIA's point of view, of course, the principal value of the proprietaries' penetration of international business comes from the knowledge and consequent leverage flowing back to the Agency. It has gathered voluminous information on both Americans and foreigners — information which is preserved in orange cardboard folders, known as "201 files." According to a source familiar with the CIA's economic records, the 201 file on international stock manipulator Robert Vesco alone is more than six inches thick.

Embarrassing Moves

THE MANAGERS and employees of CIA proprietaries are an extremely mobile group of people, moving frequently among companies and government agencies. Their activities must be accomplished secretly, without revealing CIA connections, and this requirement sometimes puts other government agencies in compromised positions.

For example, in 1973 a Thai national named Puttaporn Khrankhruan was arrested on charges of smuggling some 50 pounds of opium into the United States. The U.S. attorney's office in Chicago was forced to drop the case because the Thai was a CIA agent and the Agency was unwilling to supply data in court about his background and activities. Former CIA Director William Colby told an inquiring congressional committee last year: "It was quite easy to see that his activity for us would be revealed in the course of the trial. We requested the Justice Department not to try him for this reason. They agreed."

One matter that would have presumably been revealed at a trial was that Puttaporn was carrying out his supposedly anti-drug intelligence work under the cover of a handicraft business set up for him by Joseph Z. Taylor & Associates. That firm was another CIA proprietary, whose corporate secretary once worked for United Business Associates.